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1. One of the gravest problems facing the Hungarian Metallurgy industry is the shortage of abrasives. This shortage has been especially acute since the beginning of 1951, when West Germany stopped the export to Hungary of silicon carbide and first grade corundum grain. Domestic production of abrasives is neither qualitatively nor quantitatively satisfactory for the needs of the metallurgy industry.
 2. The following plants are producing abrasives: the Artificial Corundum Plant in Magyaróvár (Magyaróvár Muekorundgyár), the Flint Ware Plant (Koeedenygyer) and the Granite Grinding Wheel Factory (Granit Üsiszolokoronggyar). Plans have been made to build a new modern artificial corundum producing plant, to be completed by the end of 1953. In the meanwhile, the Magyaróvár Artificial Corundum Plant produces only 30 per cent of the corundum needed by the metallurgy industry. For silicon carbide the country is entirely dependent upon import, mostly from East Germany. Tungsten is imported from China on a barter basis, in exchange for Hungarian tractors and agricultural machinery.
 3. The Artificial Corundum Factory in Magyaróvár produces only second grade corundum grain which, because of the lack of first grade abrasives, is used in plants which before 1951 used only first grade corundum grain. The Granite Grinding Wheel Factory is also producing some second grade corundum grain. Grinding wheels made of second grade corundum grain wear out in five or six hours and in some cases discs wear out in 50 minutes of grinding. The inferiority of the domestically produced grinding wheels is shown by the fact that formerly the Hungarian Metallurgical Works (Magyar Kohászati Muevek) used up one thousand grinding wheels a month, while now five or six thousand grinding wheels are used up each month.
 4. The metallurgical works most seriously affected by the lack of first grade grain abrasives - corundum and silicon carbide - are :
(a) The MAVAG Metallurgical Works (MAVAG Kohászati Uezemek)
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- (b) The Rakosi Matyas Works (Rakosi Matyas Uezemek), Gsepel.
- (c) The DIMAVAG Machine Factory (DIMAVAG Gepgyar) in Diosgyoer

5. The shortage of first grade abrasives was especially acute in March 1952. The managers of metallurgical plants were desperate. To alleviate the critical situation a meeting was called during that month by the State Planning Office (Orszagos Terv Hivatal) in Budapest. At this meeting Ferencz Herczeg, the Deputy Chairman of the State Planning Office presided. Besides the manager of the State Planning Office, the managers and experts in metallurgy of the following institutions were present at the meeting:

Foundries and Machine Industries Ministry (Koho es Gepipari Miniszterium)
 Constructions Ministry (Epitesuegyi Miniszterium)
 Foreign Trade Ministry (Kuelkereskedelmi Miniszterium)
 Heavy Industry Agency for Foreign Trade (Nehezipari Kuelkereskedelmi Vallalat - NIKEX)
 Hungarian Steel and Metal Industry Agency for Foreign Trade (Magyar Acél es Femipari Kuelkereskedelmi Vallalat - METALIMPEX)
 Granite and Solus Grinding Wheel Plant (Granit es Solus Csaszolokoronggyar)
 Artificial Corundum Plant of Magyarovar (Magyarovari Muekorundgyar)

After it had been established that there was not sufficient corundum grain and silicon carbide to support the metallurgy industry, an immediate decision was made to send a committee to Eastern Germany to try to obtain the urgently needed abrasives. This committee included: the technical manager of the Foreign Trade Ministry, the managers of the foreign trade agencies and the technical manager of the Artificial Corundum Plant in Magyarovar.

6. Following this meeting it was also decided to increase the domestic production of abrasives. Herczeg granted an immediate advance of 50 thousand forints for the equipment of the Artificial Corundum Plant in Magyarovar for the production of first grade abrasives. The equipping of the factory was to be completed by July 1953. At the same time the plant was ordered to start producing first grade abrasive grain by remelting the second grade grain which was at the time stored in the factory. A committee was appointed to supervise the carrying out of this order, and to make monthly reports to the State Planning Office on the progress of the work in the plant. The committee consisted of representatives and experts of the following institutions:

MAVAG Metallurgical Works
 Rakosi Matyas Works
 DIMAVAG Machine Factory
 Foundry and Machine Industry Ministry
 Construction Ministry
 Foreign Ministry
 Foreign Trade Agencies.

This action did not alleviate the situation. The Artificial Corundum Plant in Magyarovar, equipped for the production of first grade abrasive grain, was not able to increase its production above 30 per cent of the total corundum grain needed by the metallurgy industry.

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